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SUBJECT: CHACO INDIGENOUS COMMUNITIES STRUGGLE UNDER SEVERE
CONDITIONS

SUMMARY

¶1. (SBU) During a June 18-19 visit to the indigenous communities of the Paraguayan Chaco, PolOff observed very poor living conditions exacerbated by severe drought. Local indigenous leaders said that although many indigenous workers earned less than minimum wages and no benefits, they had no knowledge of forced labor conditions. They indicated, however, that the Paraguayan government failed to fulfill its legal obligations to the Yakye Axa and Sawhoyamaxe Exnet indigenous communities in compliance with two Inter-American Court of Human Rights sentences. Local leaders reported that Chaco indigenous communities face an urgent crisis that has received scant attention outside Paraguay -- the lack of water caused by severe drought conditions. President Fernando Lugo's government has taken some action to fulfill its obligations to the Chaco indigenous communities, but further action is needed to improve their living conditions.
END SUMMARY.

TOUR OF CHACO INDIGENOUS COMMUNITIES

¶2. (SBU) PolOff visited the indigenous communities of the Paraguayan Chaco June 18-19 and observed very poor living conditions exacerbated by severe drought. He also discussed indigenous human rights and labor conditions with local leaders. PolOff visited the Guarani Occidental, Nandeva and Nivacle communities in Laguna Negra, a Guarani indigenous settlement northwest of Filadelfia; the Tesenpo-o Exnet indigenous community in Loma Plata; the Barrio Obrero Exnet community in Filadelfia; and the Yakye Axa and Sawhoyamaxe Exnet communities near Pozo Colorado. (NOTE: The Guarani indigenous group is one of five Paraguayan linguistic families; the Exnet is a subgroup of the Maskoy, another linguistic family. END NOTE.) PolOff also met Wilmer Stahl, Anthropological Advisor for the Indigenous-Mennonite Cooperation Services Association (ASCIM), a local indigenous rights NGO.

SIZING UP THE CHACO INDIGENOUS

¶3. (U) The Paraguay government's 2008 Indigenous Census

describes the Chaco indigenous as diverse and living and working under varied conditions. The Census indicated that Paraguay had 108,000 indigenous persons as of 2008, with approximately 46,000 living in the Chaco. Official data and studies suggest that most live in the Central Chaco near three population centers located along the corridor of the east-west Trans-Chaco Highway -- Villa Hayes, Filadelfia-Loma Plata, and Laguna Negra. Local leaders confirmed that most indigenous work independently (over 20,000); for Mennonite cooperatives in the Central Chaco (5,000-10,000); or for independent ranchers in the Southern Chaco (1,000-2,000). The few indigenous persons who live in the Northern Chaco reside primarily in neighborhoods surrounding Paraguay River port towns.

LAGUNA NEGRA

¶4. (SBU) During his tour of the Guarani Occidental, Nandeva, and Nivacle indigenous communities in the Laguna Negra settlement, PolOff spoke with "Antonia," a Guarani Occidental leader. She noted that thousands of Guarani indigenous persons live in small communities scattered throughout the settlement. She said these communities own their own land and cultivate cash crops such as sesame. The communities' wells produce salty water suitable for agricultural purposes but inadequate for human consumption. Antonia said that local communities either buy fresh water from Mariscal Estigarribia Municipality with the money they earn or rely on assistance from ASCIM. She said local communities lack electricity and telephone service -- despite repeated

requests that the government provide these services. Each community had a school, small health clinic supported by the Health Ministry, and access to fresh water stored in large water tanks.

LOMA PLATA AND FILADELFIA

¶5. (SBU) Exnet Tesenpo-o indigenous leaders Arce and Brigido Loewen told PolOff that most members of the Loma Plata and Filadelfia Exnet communities work for Mennonite cooperatives. They said that the Mennonites pay "fair" wages and that a percentage of workers' salaries are set aside for community "assurance associations" that support their communities with social services such as medical care and access to fresh water. During his tour of the Exnet Tesenpo-o indigenous community, PolOff observed homes made of aluminum sheeting, cardboard, tarps, and chicken wire. However, the community had access to two functioning wells, electricity, a school, health clinic, and community center.

YAKYE AXA AND SAWHOYAMAXA

¶6. (SBU) Yakye Axa leader Anibal Flores and Sawhoyamaxa leader Carlos Marecos described the bleak living conditions in their Exnet indigenous communities. The 120 members of Yakye Axa and 150 members Sawhoyamaxa live on the shoulders of rural Highway 6 near Pozo Colorado without local access to water or food. Flores and Marecos said their communities cannot drill wells because the area produces salt water; cannot grow crops because the soil is too sandy; and lack access to electricity even though power lines pass overhead. Although the National Emergency Secretariat (SEN) is obligated to provide food and water weekly to these communities, Flores and Marecos said that SEN delivers food and water monthly in small quantities -- forcing the communities to drink contaminated water from open cesspools. They said that workers typically work for local ranchers at a rate of just USD 3.00 - 5.00 per day excluding benefits. They noted that the Ministry of Education and Culture assigned volunteer teachers to educate local students through the third grade; after that, most youths work on local

ranches.

¶7. (SBU) Flores and Marecos told PolOff that the Paraguayan government had not yet fully compensated their communities according to the mandate of the Inter-American Court of Human Rights (IACHR). The IACHR ruled in 2005 that the government had violated the rights of 64 Yakye Axa families and sentenced the government to remit monetary compensation and land to the community. The IACHR imposed a similar sentence in favor of 19 Sawhoyamaxa families in 2006. (NOTE: The IACHR ruled that these families had been unjustly evicted from their native lands by local ranchers in the 1980s and held the Paraguayan government liable for compensating them with land, money, and other assistance. The residents of Yakye Axa and Sawhoyamaxa refuse to move from their squalor until the National Institute of the Indigenous (INDI), the government's primary indigenous agency, compensates them with land. END NOTE.)

¶8. (SBU) NGO Tierra Viva representatives Santiago Bobadilla and Jose Paniagua told PolOff June 23 that INDI fully disbursed the USD 350,000 the government owed to the Yakye Axa community, but it had not yet remitted the 16,000 hectares of land owed to the Yakye Axa per the IACHR sentence. They said that the Paraguayan Congress was considering a proposal to expropriate land from the neighboring ranch owned by prominent Colorado and owner of La Nacion newspaper, Osvaldo Dominguez Dibb. However, they noted that the bill is still in committee. Bobadilla and Paniagua said that the government owes the Sawhoyamaxa families USD 380,000 and that INDI would disburse an initial payment of USD 4,800. They stated that the government had not yet remitted any of the 15,000 hectares of land it owes to the Sawhoyamaxa families but is looking into the option to purchase land for them. (NOTE: Tierra Viva serves as these

communities' legal representative in the IACHR. The IACHR stipulates that the government comply with its sentences within three years; the government violated the statute of limitations in both cases. END NOTE.)

LABOR CONDITIONS AMONG THE CHACO INDIGENOUS

¶9. (SBU) Local leaders told PolOff that although many indigenous workers earned less than minimum wages and no benefits, they had no knowledge of forced labor conditions. Wilmer Stahl, a local indigenous expert and author of a groundbreaking 1979 study on indigenous labor conditions -- the first of its kind -- stated that a May 28 United Nations report inaccurately depicted forced labor conditions among the Chaco indigenous as a widespread phenomenon. He stated that most Chaco employers -- including the Mennonites -- now pay indigenous workers at least minimum wage, with a percentage of indigenous' salaries set aside to support local indigenous "assurance associations" that offer indigenous workers benefits such as health care. (NOTE: Stahl also noted that employers match workers' contributions in these arrangements. END NOTE.)

¶10. (SBU) Stahl asserted that recent reports by the ILO, UN, and Tierra Viva focus heavily on practices formerly employed by large, private ranches in the Southern Chaco. He noted that allegations of debt bondage originated from a traditional Paraguayan contractual arrangement known locally as "livery" that pays workers reduced wage and food concessions based on family size -- an arrangement he confirmed ranchers used to strengthen employees' ties to the ranches. Stahl also stated that accusations of ranchers restricting indigenous' freedom of movement were exaggerated and stemmed from the fact that ranchers use fences and gates with locks to protect their properties -- which some indigenous workers interpreted as restrictive. Stahl said that most -- if not all -- of these ranches eliminated these practices in recent years in the face of increased international scrutiny and the introduction of Ministry of Justice and Labor (MJT) inspectors who began monitoring Chaco

ranches for potential labor abuses. (NOTE: Bobadilla and Paniagua said that MJT inspectors from Asuncion and Irala Fernandez, a rural Chaco outpost, plan to inspect 17 ranches this year. END NOTE.) Stahl asserted that the indigenous 'nomadic' tendencies and increased scrutiny over ranchers' treatment of the indigenous prompted many ranchers to replace indigenous workers with non-indigenous laborers. This contributed to a large number of displaced, unemployed, and disgruntled indigenous workers who are migrating to autonomous indigenous communities and squatting in Asuncion's parks.

¶11. (SBU) Indigenous leaders in Laguna Negra, Loma Plata, Yakye Axa, and Sawhoyamaya stated the Chaco indigenous receive low wages but that they were not aware of any cases of forced labor. Flores and Marecos noted that indigenous workers generally enjoy freedom of movement while working on nearby ranches and that ranchers pay workers in cash sans debt bondage arrangements. The Loewens in Loma Plata strongly denied that local indigenous workers were subject to forced labor conditions, insisting that indigenous workers received fair wages from local employers. "Antonia" said that indigenous persons in Laguna Negra worked independently and asserted that forced labor conditions did not exist in her settlement.

¶12. (SBU) The Paraguayan government adamantly denies the existence of forced labor among the Chaco indigenous, and sent Justice and Labor Minister Blasco to the June International Labor Conference in Geneva, Switzerland to argue Paraguay's position on the issue. Tierra Viva's Bobadilla and Paniagua told PolOff that there have been no cases of forced labor since 2005 and admitted that allegations of forced labor among the indigenous have been largely based on a 1994 study by Tierra Viva and a 2005 ILO study. They stated the labor situation changed in the Chaco and that indigenous workers face greater challenges in finding work and earning adequate compensation with benefits.

INDIGENOUS THIRSTING FOR WATER

¶13. (U) Local leaders reported that Chaco indigenous communities face an urgent crisis that has received scant attention outside Paraguay -- the lack of water caused by severe droughts. Portions of the Paraguayan Chaco have been dry for over six months, and the problem is worsening in spite of the government's attempts to provide water to local indigenous communities via water trucks. (NOTE: The Embassy's Humanitarian Assistance Program donated ten water tanks to drought-ravaged Chaco communities in November 2008. Because much of the water table in the western Chaco is too salty for human consumption, the indigenous communities cannot drill wells and must rely on water trucks to deliver fresh water. END NOTE.) Chaco indigenous communities have many needs -- including access to land, jobs, food, medical care, electricity, telecommunications -- but indigenous leaders underscored that water is by far the most pressing.

COMMENT

¶14. (SBU) President Fernando Lugo's government has taken some action to fulfill its obligations to Chaco indigenous communities, but further action is needed to improve their living conditions. The recent focus on forced labor among the Chaco indigenous appears to be exaggerated and unsubstantiated. The indigenous themselves consider that land, financial assistance and water are their most pressing needs. The Lugo administration has been hamstrung by the ineffectiveness of agencies such as INDI and SEN. While the UN reports have helped bring international attention to the plight of Paraguay's indigenous, they have also had the unintended consequence of forcing the government to devote limited resources to a problem that may not exist at the

expense of more important issues. END COMMENT.
Fitzpatrick